



THE WHITE HOUSE
WASHINGTON

April 7, 1977

MEMORANDUM TO: Members of the Cabinet
and Regular Attendees
at Cabinet Meetings

FROM: Jack Watson *Jack*
Jane Frank

RE: BACKGROUND ON THE PRESIDENT'S
REORGANIZATION AUTHORITY AND
REORGANIZATION PROJECT FOR THE
EXECUTIVE OFFICE OF THE PRESIDENT

We are attaching materials prepared by
OMB on the captioned subjects as background
for Bert Lance's presentation at the April 11
Cabinet meeting.

Attachments

*(RECORDED FOR BERT LANCE FOR Cabinet Meetings
White House)*

President's Reorganization Project



Executive Office
of The President

April 1977

President's Reorganization Authority



April 1977

Att to ER file copy.

77-989

11 April 77 -

Cabinet Meetings/White House

President's Reorganization Project



Executive Office
of The President

*Cabinet Meeting
White House*

April 1977



**PRESIDENT'S
REORGANIZATION
PROJECT**

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WASHINGTON, D.C. 20503

INFORMATION PACKET

FOR FURTHER INFORMATION, CONTACT:

Harrison Wellford, Executive Associate Director, OMB...395-3864
A. D. Frazier, Jr., Project Director.....395-6190
Fred Droz, Public Awareness Liaison.....395-5136/5014
Walt Wurfel, Deputy White House Press Secretary.....456-2100

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FOR IMMEDIATE RELEASE

APRIL 5, 1977

Office of the White House Press Secretary

(FACT SHEET ON EXECUTIVE OFFICE OF THE PRESIDENT REORGANIZATION)

INTRODUCTION

In keeping with his pledge to make the government work more effectively, the President has ordered a complete reorganization study of the Executive Office of the President.

The study is now getting underway. It is presently planned that recommendations will go to the President in early June.

OBJECTIVES OF REORGANIZATION

The study will work to:

- * Insure that the Executive Office of the President is organized and staffed to meet the requirements of the President.
- * Propose a more efficient and effective organization of units within the Executive Office of the President.
- * Promote open and responsive government.

AGENCIES AND UNITS INVOLVED

See attached table.

PROJECT PROCEDURES

The project will be accomplished in four phases: fact-finding, evaluation, proposal and review of alternatives, and final recommendations to the President.

Throughout the process, the public, non-government organizations and groups, government officials, and unit personnel will be consulted.

PROJECT ADMINISTRATION

Harrison Wellford, Executive Associate Director, OMB
A. D. Frazier, Jr., Project Director
Frank Wilson, Deputy Project Director
Fred Droz, Public Awareness Liaison

HISTORICAL PERSPECTIVE ON THE EXECUTIVE OFFICE
OF THE PRESIDENT

The Executive Office of the President (EOP) provides the institutional support to the President in the fulfillment of his constitutionally and legislatively mandated duties. It has grown from a small office created in Franklin D. Roosevelt's administration, concerned largely with budgetary matters, to the present 18 units. The units are concerned with a broad range of policy areas such as: domestic and foreign economy, national security, intelligence, energy, science, environment, and communications.

The Presidents who preceded FDR had no significant White House staff, and no institutionalized support, as we now know it. The staffing arrangements were very ad hoc.

Roosevelt soon realized that existing staffing arrangements for overseeing the Executive Branch were not adequate to meet the new responsibilities that Congress had placed on the President or the electorate's rising expectations of what the Federal Government should accomplish. The country was in the midst of a major economic upheaval, with massive unemployment and international tensions increasing daily. There was considerable popular concern that the Presidency be made more effective by increasing the staff and its skills.

President Roosevelt responded in 1936 by Executive Order, creating the President's Advisory Committee on Administrative Management (Brownlow Committee). It was chaired by Louis Brownlow, Director of the Public Administration Clearinghouse, and included Charles Merriam and Luther Gulick, both prominent figures with extensive experience in government.

The Brownlow Committee report strongly supported the creation of an Executive Office of the President staffed by additional aides. The report was sent to Congress in 1937, and stressed that the need for creating this added organization was not based on potential savings to the taxpayers, but because "the President needs help."

While many of FDR's recommendations were not accepted, Congress did pass the Reorganization Act of 1939, which permitted implementation of most of the President's staffing proposals.

As an example of the difference between the perception of "help" for the President, then and now, the Brownlow Committee suggested that the White House Office be augmented by six

administrative assistants, "possessed of high competence, great physical vigor, and a passion for anonymity." In addition, there should be an Executive Office of the President consisting of "managerial arms" for personnel, fiscal affairs, and planning.

The National Resources Planning Board was established as the planning arm. It had responsibility for coordinating the economic, social, physical, and governmental aspects of public policies involving the use of water, land, and other natural resources. It was abolished in 1943 due to a lack of support for long-range planning.

The most significant effect of the Reorganization Act of 1939 was to give the President authority to transfer certain units to an "EOP" and create other units that were geared toward specific policy responsibilities. For example, the Bureau of the Budget (BoB) was transferred from the Department of the Treasury to the newly created EOP. The significance was that the President's Budget and Executive Branch Departmental programs were now being developed, coordinated, and reviewed by an administrative arm of the President.

Consequently, through the BoB and the National Resources Planning Board, the President had established a continual review process of the major goals of his administration. The President was then able to bring together appropriate expertise to advise him on issues and concerns that were directly related to the functioning of his Office.

The President's White House staff was also increased. Roosevelt then had two types of staff: those whose services to the President were personal, public relations or political; and those in the EOP whose responsibilities to the President were managerial and programmatical in nature. However, policy and program initiatives continued to flow up to the President through departments and agencies, there to be evaluated by his staff resources.

In addition to the Brownlow studies, there were further efforts to reorganize the Executive Branch which included the EOP in their recommendations.

-- The First Hoover Commission (Commission on the Organization of the Executive Branch (1947-49) was chaired by former President Herbert Hoover. This body's recommendations resulted in passage of the Reorganization Act of 1949 which placed the National Security Council and National Security Resources Board in the EOP;

-- The "Rockefeller Committee" (Advisory Committee on Government Organization, 1953-60) was chaired by Nelson Rockefeller, then an Undersecretary at HEW and a Special Assistant to the President. An extension of the Reorganization Act of 1949 and the creation of a special Presidential Science Advisor and Advisory Committee resulted from this group's proposals;

-- The Second Hoover Commission's (1953-55) recommendations resulted in the establishment of more effective managerial and budgeting practices within the Bureau of the Budget. The Commission's study also focused on how best to improve the economy and efficiency of government to eliminate overlapping or duplication of effort;

-- The Price (1964), Heineman (1967), and Lindsay (1968) Task Forces were each concerned with the operations of the Executive Branch of the government. They focused their efforts on studying organizational changes that might increase the effectiveness and responsiveness of government. The recommendations of these task forces influenced a number of internal changes in the EOP. More importantly, these groups had a significant impact on the thinking of a subsequent advisory group, the Ash Council;

-- The President's Advisory Council on Executive Organization, or the "Ash Council", (1969-71) was chaired by Roy Ash, once President of Litton Industries. The Council proposed massive changes within the government by recommending consolidation of several agencies into four large departments. These recommendations were never acted upon, but as a result of other recommendations, the Council on International Economic Policy, and the Domestic Council were formed. In addition, the Bureau of the Budget (BoB) was changed to the present Office of Management and Budget (OMB). It is interesting to note that of the eighteen units in EOP, twelve were created since 1969.

The most recent reorganization effort is occurring now in the Carter Administration. A small group of administrative and political analysts is conducting an extensive analysis of the EOP. The analysis focuses on some fundamental questions:

What staff resources does the President need? How should these units and activities be structured and grouped in order to help the President fulfill his duties to the American people? What functions are appropriately carried out within the EOP? How can these functions be performed more effectively? How can EOP operations be carried out more efficiently and economically? How can the EOP become a model for open and responsive government?

Agency	Current Director/Chairman	Functions
White House Office		Provide staff support to the President
OMB	Bert Lance	Assists in budget preparation, administration, develop administrative management, coordinating proposed legislation, evaluation efforts, monitor agencies.
Council of Economic Advisers	Charles Schultze	Advises on economic developments, recommends economic programs and policy, prepares economic reports.
Council on Environmental Quality	Charles Warren (designate)	Recommends policies to further environmental quality, analysis of trends in environment, administers environmental impact statement process.
Council on International Economic Policy	W. Michael Blumenthal	Ensures consistency between domestic and foreign economic policy.
Council on Wage and Price Stability	Charles Schultze, Co-Chairman W. Michael Blumenthal, Co-Chairman	Monitors the economy with respect to wages, costs, productivity, profits, and prices; review programs, activities of government to determine impact on inflation.
Domestic Council	Stu Eizenstat	Formulate and coordinate domestic policy recommendations; assess national needs, review ongoing programs.
National Security Council	Zbigniew Brzezinski	Advises with respect to the integration of domestic, foreign and military policies relating to the national security.

* Sources: 1976/77 United States Government Manual, Revised May 1, 1976, Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D. C. 1976

Agency	Current Director/Chairman	Functions
Office of Special Representative for Trade Negotiations	Robert Strauss	Supervising and coordinating the trade agreements programs and directing U.S. participation in trade negotiations with other countries.
Office of Telecommunications Policy	(vacant)	Establishes policies and programs pertaining to communications matters; emergency mobilization plans for communications resources.
Office of Science and Technology Policy	Dr. Frank Press (designate)	Scientific, engineering and technological analysis on government programs; advises on scientific and technological considerations in areas of national concern; coordinates research and development.
Office of Drug Abuse Policy	Dr. Peter Bourne (designate)	Recommends on objectives, policies and priorities for Federal drug abuse functions and coordinates functions.
Economic Policy Group	W. Michael Blumenthal	Studies and recommends policy options on a wide variety of domestic and foreign economic issues.
Energy Resources Council	Dr. James Schlesinger	Coordination of energy policy matters; broad policy formulation
Federal Property Council	Bert Lance (Ex Officio)	Reviews all Federal real property policies and recommends necessary reforms, modifications, or initiatives! Dispute resolution on real property disposal.
Office of Federal Procurement Policy	(vacant)	To improve the economy, efficiency, and effectiveness of the procurement policies, regulations, procedures, and forms.

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Agency*	Current Director/Chairman	Functions
Intelligence Over- sight Board	Robert D. Murphy	Monitors and reports on compliance of intelligence community with established guidelines; reviews adequacy of internal guidelines and activities that raise questions of legality or propriety.
President's Foreign Intelligence Advisory Board	Leo Cherne	Advises with respect to effectiveness with which intelligence community is meeting current and future needs.
<u>Other Areas Included in Study:</u>		
Special Assistance to the President	Dick Moe	Provides staff support to maintain Office of the Vice President.
Executive Residence	Rex Scouter (Chief Usher)	Provide and maintain the official residence of the President and family.
Official Residence of the Vice President	Grahan Claytor, Jr. (Secretary of Navy)	Provide and maintain the official residence of the Vice President and family.
Various Advisory Committees and Commissions Related to the Executive Office of the President.		

HARRISON WELLFORD

William Harrison Wellford of Kendale Farm, Chance, Virginia, was designated Executive Associate Director for Reorganization and Management of the Office of Management and Budget by OMB Director Bert Lance on February 21, 1977.

Mr. Wellford served as chief legislative assistant to the late Senator Philip A. Hart (D-Michigan) from June 1973 until November 1976. He headed the government reorganization group in President Carter's pre-inaugural transition team.

Author, attorney, lecturer and teacher, Mr. Wellford in the early 1970s was executive director of the Center for Study of Responsive Law and consultant to the same organization on food safety and environment. His writings include the book, "Sowing the Wind: Food Safety and Chemical Harvest," published in 1972.

He also has initiated several successful legal actions related to environmental and government secrecy issues.

Mr. Wellford was born in Wichita Falls, Texas, on March 22, 1940. He earned his bachelor's degree at Davidson College and master's at Cambridge University. He holds a Ph.D. from Harvard and a Doctor of Jurisprudence degree from Georgetown University.

He and Mrs. Wellford, the former Susanne Bernice Lane of Charlotte, N.C. live in Washington, D.C. They have two daughters, Susannah and Elizabeth.

2/21/77

BIOGRAPHY

A. D. Frazier, Jr.
2934 Macomb Street, N.W.
Washington, D.C. 20008

Date and Place of Birth: June 23, 1944, Rocky Mount,
North Carolina

Education: A.B. - University of North Carolina, Chapel
Hill, North Carolina - 1965

Juris Doctor - University of North Carolina
Law School - 1968

Member of North Carolina Bar - 1969 (presently
inactive)

Employment History: Joined the Citizens and Southern
National Bank, Atlanta, Georgia in
1969 and worked in a variety of
banking and staff roles, the last
being Assistant to the President.

Married: Helen Jeanne Reinhardt Frazier

1 son - James Reinhardt Frazier

Previous Religious and Community Activities:

Holy Innocents Episcopal Church
Metropolitan Foundation
Public Affairs Council
National Municipal League
Grant Park Neighborhood Housing Services
Research Atlanta
Volunteer Atlanta
Interfaith, Inc.
Central Atlanta Progress Civic Development Corps
Leadership Atlanta